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QUARTERLY REVIEW

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ECONOMIC CONDITIONS IN

FINLAND

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Editor of the quarterly review Unitas: BR. SUVIRANTA

GRAIN GROWING IN FINLAND

By E. J. KORPELA,
Central Association of Agricultural Producers.

Finland's self-sufficiency in cereals deteriorated appreciably during and after the last war. During the crop years 1937—39 it proved necessary to import 103 million kg of cereals (wheat and rye) annually, while the degree of self-sufficiency represented 84 per cent. In 1948—50 the corresponding figure for imports was 219 million kg and for the degree of self-sufficiency 65 per cent. During the last crop year the tendency continued in the same direction; imports of cereals advanced to 277 million kg, excluding the increase in stocks, and the degree of self-sufficiency dropped to 58 per cent. We have to go as far back as the 1920's for an equally low figure for the degree of self-sufficiency.

Owing to the degree of self-sufficiency for the whole country having fallen to such a level, the figure for the actual consumers has obviously been reduced even more. For, during the last crop year, the degree of self-sufficiency in this case represented only 17 per cent for wheat, 36 per cent for rye and 24 per cent for cereals as a whole. This shows that domestic production is only capable of supplying the consumers' requirements in cereals for scarcely three months. It must, indeed, be admitted that the harvest of cereals in 1951 was below normal in consequence of exceptional conditions, especially as regards spring wheat which was attacked by rust. The general picture of the course of self-sufficiency is, however, not altered by this remark, particularly as the result of this year's harvest will, after all, probably prove as disappointing as last year's.

It is worth while emphasising that the reduced degree of self-sufficiency of late has not been due to increased consumption, but to decreasing output. For, in spite of the growth of the population, the consumption of cereals has remained practically unchanged since the pre-war period and amounts to about 480 million kg a year. On the contrary, the production of cereals has greatly decreased, as shown in the following table (in millions of kg).

Year	Autum wheat	Spring wheat	Rye	Total
1937/39	55	157	368	580
1949	34	289	218	541
1950	25	274	213	512
1951	23	227	207	457
1952	25	222	173	420

The figures for the last two years are preliminary, as the cultivated area of the different grain has not been fully established. The crop per hectare for the current year may also be altered to some extent. The fall in production is therefore likely to be even greater than is shown in the above table.

The great reduction in the growing of rye attracts particular attention. This year's crop amounts to scarcely half of the pre-war yield. The phenomenal extension of wheat growing in the 1930's and early 1940's did, indeed, make up very nearly for the decrease in cultivating rye up to 1949, but since then the growing of wheat has also fallen off. In connection with the lower production of rye, however, the great drop in consumption should be noted in relation to self-sufficiency. In spite of the constant warnings of nutrition experts, the people of Finland seem to be changing over from rye bread to white wheaten bread on an ever increasing scale. As our self-sufficiency in rye has, nevertheless, been very much reduced, the extent of the decrease in output becomes even clearer.

The smaller crops of cereals during the last few years have undoubtedly been due, at any rate in part, to fortuitous circumstances, the effects of which are visible in the reduced crops per hectare. But in addition, the cultivated area has decreased, a very grave phenomenon from the point of view of the trend. Precise data concerning the employment of the field area since 1950 are, unfortunately, not yet obtainable, but the preliminary reports indicate a disturbing reduction of the cultivated area for cereals. According to these, the cultivated area for spring wheat has decreased in the last two years by 17 per cent and for rye by as much as 24 per cent. In regard to rye, at any rate, it looks as though this tendency would continue. For, according to information, rye sowings this autumn have been about 39 per cent less than in the autumn of 1949. If this proves to be the case, the area under rye would amount to only 40 per cent of what it was before the war. The total area for cereals has probably been reduced during this period by about 90 000 hec. or 25 per cent. The total field area has also fallen off simultaneously, it is true, but by no more than 6 per cent, so that this is a case of an actual change in the trend of production in agriculture.

It has been maintained that the reduction in the growing of cereals has been caused by increased cultivation of industrial plants, such as flax, rape and sugar-beet. It is also possible that the opinion that growing rape and sugar-beet is more profitable has indirectly led to the reduced cultivation of cereals, but the direct change from cereals to industrial crops has been comparatively small, the cultivated area of the latter not having increased by more than about 20 000 hec. The greater part of the area released by reduced cereal growing has been utilised for growing fodder plants.

The decrease in output is, however, not the only explanation of the large rise in imports. For, as another factor, it should be noted that rye and wheat are now used as cattlefood to a considerably larger extent than in the 1930's. The causes are the same as those that have effected the decrease in production. Prices have tended in such a direction that they are no longer able to encourage the direct selling of cereals to the same degree as formerly. Especially in cases, when small lots are concerned, it is often considered not worth the trouble to prepare the grain suitably for the market and deliver it to buyers. Probably, too, many smallholders have not even troubled to grow cereals for their own households in recent years, but have taken to buying flour and bread as they required them. The grain subsidies introduced in practice and fixed at comparatively high rates have tended to guide the trend in this direction.

The aspect that causes most anxiety has been dealt with above, i.e., the well-nigh complete dependence of consumers on grain imports. The increase in stocks that has already been effected on a considerable scale does not alter the actual position. Experience has shown that imports are interrupted at times by such great and prolonged difficulties that not even the largest stocks are sufficient to ensure the consumers' requirements of cereals, unless domestic production forms the main basis for it.

Another important circumstance should be mentioned in this connection. Heavy imports of cereals weigh down our already strained balance of trade. Excluding the increase in stocks, imports of cereals amount to at least 8 000 million marks a year. Although such imports can now be carried on within the framework of our trade with the Soviet Union, this does not rule out the great importance of grain imports from the point of view of foreign exchange, for it is evident that, instead of grain, other necessary goods could be imported that have now to be obtained with costly foreign currency. The representatives of agriculture have often been told in recent years that the foreign currency situation does not permit of imports of agricultural machinery, because the available foreign currency must be reserved for importing other goods, including grain. Ant that is the position we are in just now.

The question of producing more grain and thereby raising our self-sufficiency in regard to cereals also affects our foreign trade in another respect. If agriculture continues to tend towards a more and more one-sided production of fodder crops, the consequence will be, sooner or later, such a growth of our animal production that we shall not be able to cope with the situation without exports strongly subsidised by the Government. In regard to the State finances alone this is far from desirable. But in regard to our trade, too, such a development would be highly unfavourable, as the relative prices in the world market, e.g., for grain and butter, have developed very unfavourably as far as the latter product is concerned.

THE POSSIBILITY OF NEUTRALISING THE DISTURBANCES CAUSED BY MARKET FLUCTUATIONS FOR EXPORTS IN FNLAND

By UNTO VARJONEN, Phil. Mag.
Economic Adviser to the Bank of Finland.

The efforts to stabilise our currency have been based on the idea of equilibrium. A continuously increasing national income, a »just» distribution of the increase among different classes, and steady employment have been the watchwords of the policy pursued in this country. However, changes caused by the market fluctuations in foreign trade evoke, and seriously disturb such a system of equilibrium. If it is at all desirable to pursue the same road, it is therefore necessary to neutralise the effects of these factors.

The problem of neutralising the disturbances caused by fluctuations in the export market has constantly been discussed publicly. The discussion concentrated at first on the question as to what part the export boom played in the progress of inflation, but turned its attention later to the possibility of solving the problem of unemployment exorcised by falling export prices. Now and then the question has also been mooted, whether it would not have been possible and necessary to take advantage of exceptionally good market conditions in order to create such a reserve of foreign currency as would produce a natural equilibrium in the sphere of foreign trade, so that it would be possible to avoid the maze of the licensing system.

During an upward trend of exports the question is therefore mainly, in what way the surplus could be prevented, at any rate in broad lines, from flowing immediately into the community and proving an inducement to a higher level of prices. This is only possible, if the increase in purchasing power and available income is restricted and foreign assets in the form of foreign currency or stocks are »saved».

In the economic debate in this country attention has been concentrated rather one-sidedly upon the export industry's system of withholding excess profits. Even though the system were to be applied in the most exemplary

manner, it should be obvious that by this means the excess profits, due to the state of the market, could only be »stored» on a small scale. If national economy is regarded as a whole, there would unquestionably be very little scope, if the system of withholding these profits were applied in practice solely to the woodworking industry.

A system of withholding excess profits, applied in good time to the export industry, would probably retard a rise in prices to some extent, but there is little reason for attaching too much importance to this effect. If the Government had decided in 1950 to neutralise receipts from exports above 125 000 million marks during the following year and had for this purpose worked out a system of withholding excess profits, the export industry would have had to surrender about 60 000 million marks in 1951. In regard to national economy as a whole such an encroachment upon trade might, perhaps, have been appropriate — an amount of 60 000 million marks in the form of foreign currency or stocks of goods might now be of great importance — but surely nobody could assert that in such a case our export industry could have maintained exports at the level they actually attained and secured raw materials on a normal scale.

If, on the contrary, the »freezing» of only those profits on exports is aimed at which might otherwise — e.g., to avoid taxation — be invested in forests and raw materials, a system of temporarily tax-free funds appears to be suitable. It is another matter, whether such a fund should be voluntary or compulsory or whether a company should have the right of retaining its additional profits for the time being in the form of foreign currency.

The effects of an export boom extend much farther than merely to the profits of the exporting industry. They influence timber prices and wages in quite a special manner. It is therefore not feasible to leave income from forests untouched, if the object of the retentions is the »confiscation» of the extra profits due to the export boom. For it is scarcely possible to accept an arrangement by which forest owners would receive the increased income due to the boom without any deduction, while the profits of exporters and the wage level were at the same time frozen. In selling timber, a tax, rising progressively with prices, should obviously be imposed, and the State should be responsible for ensuring that the increase of incomes in this manner does not flow back to the community.

Export booms undoubtedly also influence wages owing to the excessive demand for labour they create in various spheres. The increased income from exports is, however, directly noticeable only in the form of a higher »level of earnings». But a wages policy based upon labour agreements can also be

guided by other considerations. If this were not the case, the wage and price truce concluded in the spring of 1951 and the stabilisation agreement of the following autumn would be inexplicable. The higher level of earnings due to the boom, e.g., in the form of payment for overtime and »black» wages, cannot be considered so very dangerous, for these additional receipts automatically tend downward during the subsequent depression. However, if the level of wages, bound up by an agreement, rises more than an inflationary trend on the world market permits, the export industry would find itself in difficulties during falling prices, because these wages are not so elastic as is the case in regard to overtime and »black» earnings and especially to stumpage prices which are in general very adaptable, though difficulties may occur if the market fluctuations are too abrupt.

A system of withholding excess profits that is well planned and embraces a sufficiently large section of the national economy, can be of great importance, when the neutralising of the effects of market fluctuations, a stable currency and full employment are aimed at. The system cannot, however, be compared to a piece of mechanism that will lead with certainty to an appointed result. For the problem is too greatly simplified, if it is imagined that the adverse effects of booms and depressions can be eliminated by pressing buttons marked »Withhold» or »Release» excess profits. In order to neutralise the disadvantages caused by export market conditions, various monetary and financial measures should supplement each other. Besides, the wages policy should be governed in such a way that the measures harmonise mutually and operate in the desired direction.

In this respect there is much to be desired in Finland, as in so many other countries, and it must be confessed that the experiments made have not provided tangible results. It may, perhaps, be urged that the fault was not so much in the methods as in their belated and inconsistent application. If, e.g., an inflationary rise in wages cannot be prevented for political reasons, all financial measures would be of very secondary importance. At most they could prevent things going from bad to worse. It is equally obvious that a tax on timber sold by the forest owners or the extension of an excess profits tax to exports of round timber is, unfortunately, as hard to achieve as an irreproachable wages policy.

It may therefore be asked, whether a dozen remedies that are good in theory can have any value in the future, seeing that experience has proved that they cannot be successfully adopted. Sceptics certainly have good arguments to fall back upon, but they, too, should admit that both economic and political peace are largely dependent upon the question as to whether anything can

actually be done in this connection. It can scarcely be asserted that the limited efficacy of certain methods constitutes an obstacle to endeavouring to reach a goal that is considered right. Surely no one believes that a knife performs an operation after the patient has refused to mount the operating table and the surgeon has gone home.

ROAD CONDITIONS IN FINLAND AND THE GROWTH OF MOTOR TRAFFIC

By YRJÖ SIMILÄ,
Chairman of the Road Safety Fund of the Finnish Automobile Club.

The rapid growth of motoring in the course of barely a generation has created new problems for our road traffic. The speed of the growth is indicated by the number of motor vehicles having been doubled since 1935 and by about 19 000 motor vehicles of different kinds having been imported last year. At the end of last year the total number of motor vehicles amounted to about 90 000 and was distributed as follows:

Lorries and delivery vans	36 372
Passenger cars	36 231
Motor buses	3 603
Motor cycles	13 463

There was thus one motor vehicle to every 45 of the population of Finland. For the sake of comparison it is worth mentioning that at the same date there were 670 000 motor vehicles in Sweden or one per 11 inhabitants. The corresponding figures for Norway were 170 000 and 19; for Denmark 270 000 and 17, though about 70 000 of them were motor cycles or bicycles equipped with auxiliary motors.

It has been calculated that our supply of motor vehicles will be almost doubled within the next ten years. During the first half of this year 16 211 units were imported, of which 10 580 were passenger cars and 5 631 lorries and motor buses.

But even with our present number of vehicles we established a world's record many years ago in regard to road accidents. In 1951 the number of people killed in road accidents was as follows:

Norway	130	number	of	motor	vehicles	170 000
Finland	375	»	»	»	»	90 000
Sweden	446	»	»	»	»	670 000

Against the background of these figures the question arises: can motor traffic in Finland be allowed to develop still further without the introduction of severe measures for improving the safety and capacity of the highroads? The answer is obvious, but we will elaborate it to some extent.

Road safety is a matter of great international importance. Thirty years ago Finland did not appear on the motoring maps of Europe owing to the bad roads and the low road sense. For motorists the world thus ended in this respect south of the Gulf of Finland. Professor Arthur af Forselles, who, as President of the Automobile Club, made Finland known among international motoring organisations and secured a place for us on the road maps of the world, will always be regarded as a pioneer in the history of motoring in Finland. Our bad reputation in regard to road safety, however, still prevents foreign motoring tourists from making their way to Finland.

Bigger and wealthier countries have in general been able to renew their highways in step with the development of motor traffic. We have got no further than an insignificant start. As our highroads are about 100 000 km in length and as they were built mainly for light and slow-moving horse-drawn vehicles, the construction of new roads appears to be a hopeless problem.[1]) Nevertheless, the task must be carried out with a view to the future welfare and economy of the country.

When Germany renewed her roads radically and constructed her autostradas for the growing traffic, road safety returned automatically in the former danger zones. In some places the number of road accidents was reduced by as much as 83 per cent. Similar experiences in Britain are even more conclusive; there accidents decreased in some cases by 96 per cent.

In the interests of the public a suitably balanced, comprehensive scheme should be drawn up for reconstructing our roads. It has also been mentioned recently in public that all the larger centres of population should be connected with each other as soon as possible by means of new and up-to-date roads for high-speed traffic.

The Finnish Automobile Club recently undertook an investigation into the cost of road traffic in Finland. According to this study the cost of motor transport is distributed as follows during the current year:

tax on motor vehicles	800	million	marks
insurance premiums	800	»	»
fuel and lubricating oils	15 000	»	»
tyres	4 200	»	»
wages	19 000	»	»
interest and amortisation	5 200	»	»
garage rent	1 500	»	»
servicing and repairs	7 600	»	»
other costs	900	»	»
Total	55 000	million	marks

[1]) The length of the Finnish railways is about 5 000 km.

As the national income of Finland for 1952 is estimated at about 760 000 million marks, of which the total cost of motor transport thus amounts to 7.2 per cent. For the sake of comparison it may be mentioned that the expenditure on our railways for the same period figures in the Budget was 22 000 million marks.

Besides loss of time, traffic on our present roads has to bear a larger consumption of fuel and lubricating oil, more wear and tear of both tyres and bodies and finally a larger number of accidents than would be the case on good roads. Motorists themselves can confirm, how much more comfortable, rapid and safe it is to drive along a good, straight road than along a winding or otherwise deficient stretch. In driving on good roads a car lasts much longer and there are fewer repairs. On our bad roads a medium speed must be observed, e.g., for lorries an average of 30—40 km per hour. In America the average speed on first-class roads is 80—100 km an hour. If the total distance covered by motor vehicles this year is estimated at 1 500 million km, which should not be excessive, about 43 million hours would be required to cover it at an average speed of 35 km. If the average speed could be raised, e.g., by 40 per cent to 50 km an hour, we would save 1 600 million marks on drivers alone at 120 marks an hour.

Investigations made in Britain and Germany show that, when the average speed is increased from 40 km per hour on an old road to 60 km an hour on a rebuilt and straightened road, fuel consumption is reduced by 8.5 per cent. In traffic on the new German autostradas the consumption of petrol has been reduced by 40 per cent. Investigations in Sweden have yielded the result that, if the carrying capacity of the roads is increased, fuel consumption is reduced by 20 per cent. Another important factor should be noted. The reconstruction of our central roads would shorten the total length of the roads by about 15 per cent. All these experiences abroad and other factors indicate that, at a cautious estimate, the fuel consumption could be lowered by about 30 per cent, which would mean a saving of about 4 200 million marks a year.

According to the Finnish Rubber Company, the average wear and tear of tyres on our present roads is so heavy that tyres on passenger cars do not last more than an average of 30 000 km, on lorries 40 000 km and on motor buses 65 000 km. In view of all the circumstances that reduce the life of tyres, including the use of sulphite lye and calcium chloride for laying the dust, about 1 300 million marks could be saved on good roads.

In Denmark the average life of motor vehicles is 60—100 per cent higher than in Finland, where an amortisation period of 9 years for passenger cars, 7 years for lorries and 9 years for motor buses is calculated at present. At the

same time the average prices in the same order should represent 750 000: —; 1 000 000: — and 4 000 000: —. As the life of vehicles could be lengthened by at least a year, without exaggeration, by permanently surfacing the roads, the cost of amortising our present supply of motor vehicles could be reduced, according to the above figures, by about 1 100 million marks.

Motor vehicles are generally not built with an eye to our bad roads. As permanent surfacing alone is estimated to reduce the cost of repairs by 20 per cent, it should be possible in Finland to reckon on a reduction of 30 per cent or 2 300 million marks. The annual insurance premiums amount to 800 million marks in this country. This expenditure is due to the fact that a yearly average of 350—400 people are killed in road accidents. Improvements in the road conditions would in all probability lower the cost of insurance by 25 per cent or 200 million marks.

All these reductions in costs represent a total saving of 10 700 million marks a year from the point of view of *personal economy*. In examining the question from the point of view of *national economy* the argument must be amplified to some extent. The gain in time and the reduction of insurance premiums are, of course, the same as above, but the reductions in regard to fuel, lubricating oils, tyres, interest and amortisation, and repairs are less than the former, as prices have been employed in the above calculations that include revenue for the State, such as Customs duty, sales tax etc. It should also be taken into account that maintenance costs are reduced as the roads are improved. The annual maintenance costs of gravel roads amount at present to about 90 000: — per km, including snow-ploughing in winter. To take an example, the permanent surfacing of only 2 000 km of our roads on which traffic is liveliest would lower the maintenance costs by 200 million marks. The national economic calculation is as follows:

saving of time, wages	1 600	million	marks
fuel and lubricating oils	2 100	»	»
tyres	500	»	»
interest and amortisation	600	»	»
repairs	1 300	»	»
insurance premiums	200	»	»
maintenance of roads	200	»	»
	6 500	million	marks

This table shows what the savings to the national economy would represent, if our roads were in first-class condition. The costs of road improvement are, however, not included, so that the figures must be taken as gross amounts.

In order to establish the actual remunerativeness of road improvement,

the Finnish Automobile Club has drawn up a scheme of construction for ten years. The scheme covers 7 000 km of roads, of which a total stretch of 3 000 km would be converted into high-speed roads. Of this distance 500 km would be straightened and widened for four lines of traffic, so that rapid connections would be established between the more important centres of industry and the shipping ports. For the rest of the distance of the planned high-speed roads space would be reserved for a subsequent widening, likewise for four lines. All high-speed roads would be permanently surfaced. The rest of the roads included in the scheme, 4 000 km, would be put into first-class condition.

The weight of traffic on these roads of 7 000 km in length is calculated at 550 motor vehicles in 24 hours, of which 33 per cent passenger cars, 50 per cent lorries and 17 per cent motor buses. If the total costs of 55 000 million marks are divided by the total driving distance of 1 500 million km, the cost of traffic per driving km is 36: 50. Of this amount the fixed costs represent about 16.5 per cent, so that the fluctuating costs can be calculated at 30: 50 per km. For a period of ten years the traffic costs on these roads would therefore amount to 7 000 × 550 × 360 × 36: 50 = 50 600 million marks. After the improvement of the roads the traffic costs would be reduced as follows, on the assumption that the length of the roads could be shortened by about 15 per cent or 1 000 km : 1 000 × 550 × 360 × 30: 50 = 6 000 million marks. In Sweden it is calculated that an increase of 2 tons in the axle-weight reduces the costs by 20 per cent. If the decrease is estimated at 15 per cent, the reduction in costs in our case would amount for lorries and motor buses to: 0.15 × 0.67 × 7 000 × 550 × 360 × 30: 50 = 4 200 million marks. In regard to other items of expenditure a first-class high-speed road implies remarkable savings, about 20 per cent according to Swedish investigations. In Finland 10 per cent has been calculated, so that the reduction would be: 0.10 × 7 000 × 550 × 360 × 30: 50 = 4 200 million marks. Petrol consumption is estimated to be reduced by 1 100 million marks at a price of 36 marks per litre and the consumption of oil and the wear and tear of tyres by 500 million marks in all. A longer life of 34 000 motor vehicles, as in this case, would reduce the amortisation by 300 million marks and the cost of repairs would decrease by about 2 000 million marks.

In the event of traffic being doubled on the present roads, the cost of treating the surfaces of the roads would rise by 40 per cent, so that, if the roads were permanently surfaced, the saving would amount to 1 200 million marks. The reduced number of road accidents, calculated for 34 000 motor vehicles, would save 100 million marks and the gain in time in a corresponding manner, at wages of 120: — per hour, about 500 million. The total savings within

the limits of this scheme, covering 7 000 km of roads, would thus amount to 19 000 million marks from the standpoint of personal economy and 13 200 million marks from the standpoint of national economy.

The fulfilment of this scheme would cost 12 500 million marks a year during ten years or 125 000 million in all. If interest on capital during the time of construction is added, the total cost would amount to about 150 000 million marks. But, as the annual cost of our highway traffic would simultaneously be reduced by 13 200 million marks by this scheme, as is shown above, the capital invested would yield 9 per cent interest, when the whole scheme had been completed.

THE ECONOMIC SITUATION

There is no dramatic change either way to record in the economic situation during the last few months. Trade has continued under the subduing influence of the new market conditions that set in about the end of last year.

Indications have not been wanting, however, that point to an approaching rise. These have been discernible in our export markets. Already in the summer it could be observed that the pronounced fall in prices experienced by our articles of export was beginning to slacken and the market adopted rather an expectant atiitude before the opening of the autumn season. Since then the tendency has been towards greater activity. Some prices have already shown an upward trend and business has become livelier to some extent. This refers in particular to the market for sawn goods. This is, of course, partly a seasonal phenomenon, but even such phenomena are often of strategic importance for the general trend. Besides, concrete factors supporting the demand can be indicated, such as the reduced stocks of our export goods in foreign countries and the improvement attained in Britain's balance of trade, a circumstance which enables our most important buyer to relax the severe restrictions on imports.

However, it is still too early to adopt an entirely optimistic view of the prospects for exports, for the general world situation is still marked by a falling tendency of prices. Moody's index for raw materials, which stood at 445 at the end of June, dropped in August to 431, in September to 428 and in October to 409. This tendency, however, offers Finland the advantage that the terms of foreign trade will improve, if export prices rise or at any rate maintain their previous level.

Owing to the general law of inertia in economic events, we have not experienced the consequences of the breaking of the boom until by degrees this year. The situation has been further aggravated by the errors of which our economic policy has been guilty. Among these, the lowering of rates of interest should be mentioned which was undertaken a year ago during the prevalence of a boom, in spite of warnings.

The deterioration in market conditions has caused Finland's balance of trade, which recorded a surplus of exports of 30 000 million marks last year,

to become highly negative in the current year with a surplus of imports amounting to about 20 000 million. This is a fact, the effects of which extend to all parts of our economic life. They have become evident in the first instance in a great deterioration of the position in regard to foreign currency. Reaction in the money market has come more slowly, but the far greater stringency that has been noticeable of late will probably continue throughout the winter. The change in the situation has had the slowest influence in the state of employment, but in this, too, the most critical period is not likely to occur until later. It must, however, be recorded with satisfaction that the Government has drawn up an extensive scheme of work in order to counteract the possibility of mass unemployment.

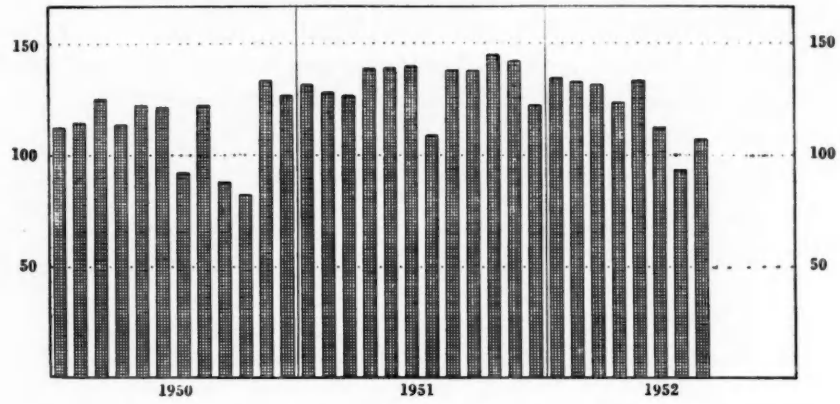
INDUSTRY. Compared with the exceptionally high and rising level of production last year, the tendency in industry this year looks very unfavourable. During the first three months of the year the volume of production was, indeed, still about of the same size as a year before, but during the second quarter production was already reduced by more than 12 per cent. Since then the level has dropped further, and production for the third quarter was as much as 15 per cent lower than the output last year during the corresponding period. On the other hand, the level has in general been considerably higher than in 1950, only May and July recording lower figures than in the latter year.

Volume of industrial production; 1948 = 100

Year and quarter	Home market industry	Export industry	*Total industry*	Capital goods industry	Consumer goods industry
1951					
I	131	125	129	123	134
II	142	134	139	132	146
III	128	128	128	123	133
IV	141	125	136	131	143
I—IV	135	128	133	127	139
1952					
I	135	126	132	125	140
II	130	105	123	116	129
III	118	89	109	106	113

The fall has mainly affected the *exporting industry* which had to adapt its output to the position of sales abroad. Many undertakings have experienced difficulty in providing full employment for their workers in spite of the holidays, prolonged in some cases, generally occurring during the third quarter. The stagnation is especially evident in the chemical pulp industry, the output of which during the third quarter of this year was 47 per cent less than during the same quarter last year. But in the sawmill industry, too, the falling off is almost as great or 45 per cent. The output of newsprint, on the contrary, increased again by 8 per cent.

Volume of industrial production; 1948 = 100



Production of the woodworking industry in Jan.—Sept.

	Sawn goods 1 000 stds		Wood pulp 1 000 tons		Paper 1 000 tons		Cardboard 1 000 tons		Plywood 1 000 cub. m	
	1951	1952	1951	1952	1951	1952	1951	1952	1951	1952
Total production	802	544	1 026	848	511	507	153	101	230	174
Export	613	382	705	486	447	406	71	43	201	168
Home market & stocks	189	162	321	362	64	101	82	58	29	6

In the *home market industry* which embraces a large number of different branches, production has, on an average, maintained itself at a relatively higher level in comparison with the previous year than the exporting industry. In some branches, such as, e.g., the stone, clay, glass and chemical industries, production has decreased very much, but in other branches the reduction has been quite insignificant, e.g., in the foodstuffs and luxuries industries, or else an increase has occurred, among others in the printing industry. The engineering industry still worked at full pressure during the third quarter and deliveries on account of the war reparations were completed before 19th September. The cessation of these deliveries releases a corresponding capacity for which only larger exports and increased sales in the home market can provide full employment.

Volume of production in home market industries; 1948 = 100

Year and Qarter	Engineering industry	Foodstuffs & luxuries industries	Textile & clothing industries	Leather, rubber & kindred industries	Chemical industry	Stone, clay glass & peat industries
1951						
I	128	134	145	121	144	106
II	133	154	158	129	158	135
III	116	150	128	94	142	158
IV	133	166	147	121	135	140
I—IV	128	151	144	116	145	135
1952						
I	131	148	140	120	133	124
II	121	152	144	100	135	120
III	109	139	123	85	127	114

BUILDING ACTIVITY. Activity in the building trade could be maintained at its former high level despite the stringent credit position. The supply of building materials has in general been better than last year and in the labour market the tendency has been in the direction of greater equilibrium.

Building costs index; 1951 = 100

1952	*Total index*	Building materials	Sub-contracts	Wages	General costs	Fees to experts	Interest on building capital
I	103	105	105	101	104	104	84
II	102	105	105	98	103	103	84
III	102	105	105	99	103	103	84
IV	103	105	105	101	104	104	84
V	104	105	105	105	105	105	85
VI	103	104	105	103	104	104	84
VII	105	102	105	111	106	106	86
VIII	104	103	105	107	105	105	85
IX	104	103	105	106	105	105	85

Owing to extensive retail selling of cement stocks by the factories to trading firms last winter, the sales of the cement works during the third quarter of the year were appreciably reduced from the previous year. This is illustrated by the following index which has been adjusted in accordance with the seasonal fluctuations in the basic year.

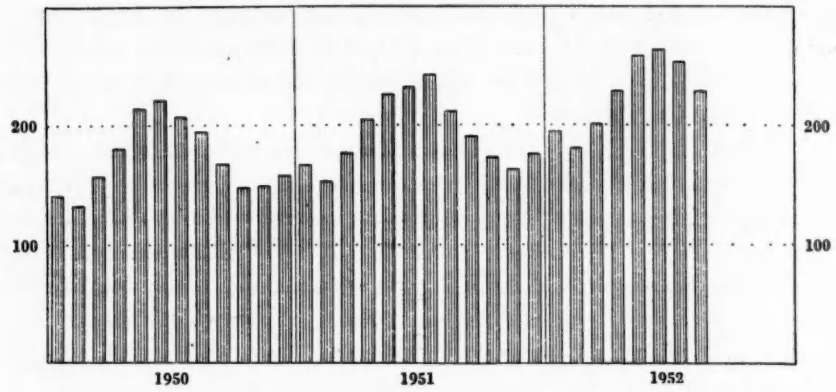
Index for the factories' sales of cement in Finland; level in 1948 = 100

Quarter	1949	1950	1951	1952
I	136	138	168	252
II	118	147	123	130
III	136	143	165	135
IV	121	164	184	
Whole year	*127*	*148*	*156*	

In private enterprise the building licences granted during the current year have been reduced very appreciably from last year. According to the statistics collected by the Office for Social Research, the reduction amounts to 28 per cent, if the comparison covers the first nine months of the respective years. No unemployment worth mentioning need, however, be feared, for public building operations can be increased, if necessary, within the limits of the unemployment grants set aside by the Government and municipal authorities.

AGRICULTURE. For many years the weather conditions in Finland have not been so unpropitious for vegetable growth and harvesting as during this year. Northern Finland, which has a very short period of growth even normally, suffered this year from exceptionally early night frosts and the damage is

Output of milk in Finland; 1948 = 100



considerable. The whole country suffered, besides, from continuous rain which delayed the germinating of seeds and in some places prevented the harvesting of otherwise comparatively plentiful crops in Southern Finland.

The customary report of the Board of Agriculture on the crop prospects on 15th October indicates that this year's harvest is likely to be fairly satisfactory in quantity, while the quality of most of the crops is proving appreciably below normal. The following table gives the estimated results of this year's harvest in proportion to last year's and that part of the crops that is of first-class quality.

Estimated crop results in 1952

	Hay	Oats	Spring wheat	Autumn wheat	Rye	Potatoes
Quantity						
% of last year	110	97	117	100	96	116
Quality						
% first-class of total crop	74	62	56	86	79	86

It should be pointed out, however, that a large part of the harvest was still out in the fields on 15th October and that the bad weather has continued ever since. The above figures for the quantity of the crops may therefore be reduced to the extent to which the harvest cannot be reaped.

FOREIGN TRADE. Under the influence of the favourable conditions during the previous year our foreign trade has brought a larger quantity of imported goods into the country than ever before. During the first nine months of the year the volume of imports was almost twice as large as during the corresponding period in the last pre-war years and one-third larger than in the first nine months of last year. By means of the fortuitously heavy imports

the shortage of goods has been removed, and sales in the home market, which are decisive in regard to the profitable extent of imports, have already encountered difficulties in some cases. Of late, imports have been cut down to a comparatively great extent and the deficit in our balance of trade has been in some measure reduced.

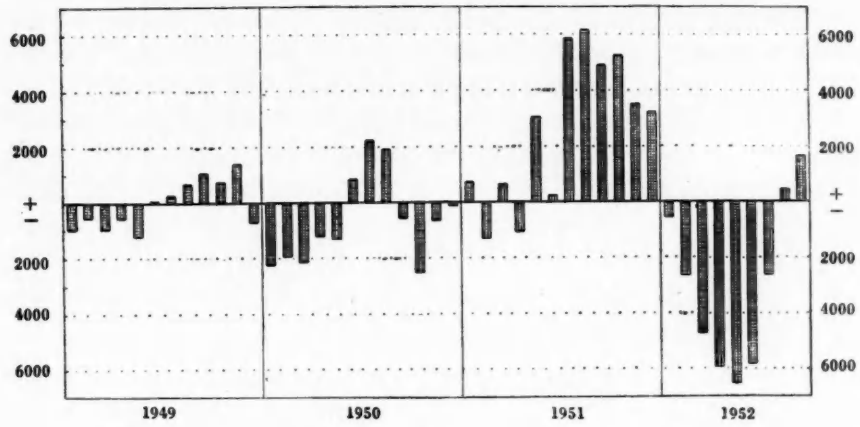
The conditions for our exports have been appreciably worse than a year ago. In recent weeks, however, the position has shown signs of improvement and the prices offered have in general had an upward tendency. Whether this is the beginning of a permanent rise or a temporary phenomenon it is still too early to judge, but the reports have, nevertheless, given rise to some optimism. During the current year the volume of exports has so far fallen short of the volume in 1938 by only 7 per cent, but in comparison with last year the volume has been reduced by as much as 14 per cent.

The terms of trade have so far been considerably more favourable than during the years immediately before the war. Since the end of last year, on the contrary, they have grown worse by 35 per cent. This, as well as the disproportion between the volume of imports and exports, has exerted a negative influence on the balance of trade which records a deficit of 26 700 million marks for the first nine months of the year.

Volume index of foreign trade; level in 1935 = 100

	Import				Export				Total trade			
	1949	1950	1951	1952	1949	1950	1951	1952	1949	1950	1951	1952
Month												
January	119	153	139	243	70	106	138	127	95	129	139	186
February	140	175	180	270	97	122	128	136	119	149	155	205
March	144	146	109	258	101	124	123	121	125	136	115	196
April	108	125	150	236	95	124	130	111	102	125	141	181
May	98	101	135	200	67	90	148	98	84	96	141	152
June	97	112	153	199	55	84	90	65	73	96	116	121
July	112	104	136	189	57	79	91	58	77	89	108	107
August	90	99	152	138	56	80	102	78	69	88	121	102
September	109	117	146	131	82	73	101	85	94	91	120	105
October	109	100	155		93	55	103		100	76	127	
November	113	102	160		111	81	101		112	91	129	
December	132	156	185		103	113	103		117	133	141	
Quarter I	134	157	141	257	89	117	130	128	112	138	136	195
II	101	108	145	210	68	95	117	86	84	103	131	147
III	104	107	145	152	64	78	97	73	80	89	116	105
IV	117	117	166		102	81	102		109	98	132	
Year	112	120	151		79	87	107		95	103	127	

Surplus of exports (+) or imports (—) in millions marks



Finland's balance of trade in Jan.—Sept.; million mk

	Imports	Exports	Surplus of exports (+) or imports (—)
1948	46 579	39 908	— 6 671
1949	44 584	42 479	— 2 105
1950	62 785	58 462	— 4 323
1951	105 844	125 147	+19 303
1952	143 134	116 417	—26 717

Among *imports* the most striking point is that the former greatly increased imports of textiles now show clear signs of stagnation. The proportion of these goods to the total value of imports has dropped very much since last year, as the table below shows. Imports of chemical raw materials and products also record a considerable reduction. On the other hand, imports of products of the metal industry have again increased, as well as imports of means of transport. The restrictive licensing of imports of late has not yet had time to make itself felt to any great extent, but during the remainder of the year there is certainly likely to be an appreciable reduction among the less indispensable commodities.

The principal import groups in Jan.—Sept.

	1951		1952	
	Mill. mk	%	Mill. mk	%
Cereals	6 650	6.3	10 611	7.4
Other foodstuffs and luxuries	9 466	8.9	13 473	9.4
Metals and metal products	14 495	13.7	23 714	16.5
Machinery and apparatus	9 802	9.3	17 452	12.2
Means of transport	7 466	7.0	16 283	11.4
Fossil fuel	13 319	12.6	18 123	12.7
Textile raw materials and products	19 468	18.4	19 649	13.7
Chemical raw materials and products	9 841	9.3	9 142	6.4
Other goods	15 337	14.5	14 687	10.3
All goods	*105 844*	*100.0*	*143 134*	*100.0*

Among *exports* a striking relative shift is recognisable among the forest products exported, goods of a higher stage of manufacture having had to give way to increased exports of unmanufactured timber and other wooden articles. The reduced value of exports, from last year, taken as a whole, may be ascribed principally to the greatly reduced export value of pulp. Dairy produce represents a comparatively insignificant part of the total exports at present, although its proportion of the exports in 1938 amounted to fully 7 per cent. On the other hand, our engineering industry, which produced goods almost exclusively for the home market before the war, has been able to increase its exports, so that in January—September this year they were three times the size of exports of dairy produce.

The principal export groups in Jan.—Sept.

	1951		1952	
	Mill. mk	%	Mill. mk	%
Timber and timber products	50 064	40.0	51 973	44.6
Pulp	40 443	32.3	29 640	25.5
Paper and cardboard	25 454	20.3	23 059	19.8
Engineering products	3 983	3.2	5 961	5.1
Dairy produce	1 510	1.2	2 058	1.8
Other goods	3 693	3.0	3 726	3.2
All goods	125 147	100.0	116 417	100.0

HOME TRADE. According to the figures for home trade collected by Unitas, the turnover in the summer is lowest, as a rule, in July, owing to the season. This normal seasonal fluctuation was absent this year, partly on account of the Olympic Games, for sales in both June and August were less on this occasion than in July. During September sales increased again and reached the highest monthly figure for this year. The tendency of the total value of the turnover in home trade per quarter is illustrated by the following indices which have been seasonally adjusted in accordance with the fluctuations during the basic year. A comparison shows that the value of sales during the third quarter of this year was 13 per cent higher than during the third quarter of last year.

Index for the value of home trade; level in 1935 = 100

Quarter	1949	1950	1951	1952
I	1 640	2 292	3 180	3 970
II	1 592	2 210	3 240	3 420
III	1 705	2 370	3 130	3 540
IV	2 058	2 575	3 660	
Whole year	*1 750*	*2 360*	*3 300*	

The ample supply of imported goods and the comparatively high level of output in industry, as well as the increased supply of farm produce, increased

the supply of commodities, so that not all businesses were able to dispose steadily of the goods received. The demand for some goods, such as tractors, agricultural machinery and motor vehicles, was still appreciably in excess of the supply, and instead of stocks, business houses have had considerable numbers of outstanding orders. It should also be mentioned that the textile branch, which had formerly experienced special difficulties in disposing of goods, generally enjoyed an increare in sales during the autumn season.

PRICES. The falling tendency of prices seems to have acquired an increasingly general character during the past quarter. The fall in the home market has, however, hitherto proceeded at a comparatively moderate pace and this phenomenon might be described mainly as a process of adaptation to a more natural situation after highly enhanced prices in some cases during the period of inflation had upset the state of the market. The evident equilibrium that existed before the war in our free price mechanism has, however, not nearly been attained, as the agreed policy of stabilisation has demanded continued control. The present relationship of prices may therefore alter very appreciably in the event of a transition to free market economy, in which supply and demand are the deciding factors, though the proportions between prices may differ essentially from those that were normal before the war.

Wholesale prices in Finland; 1935 = 100

	Sept.	June	Sept.	Change in % since Sept.	Change in % since June
General index for home market goods	*1 915*	*1 799*	*1 734*	*— 9.5*	*— 3.6*
Animal foodstuffs	1 623	1 844	1 875	—15.5	+ 1.7
Grain & grain products	1 137	1 308	1 292	+13.6	— 1.2
Other vegetable foodstuffs	1 293	1 294	1 252	— 3.2	— 3.2
Fodder	1 851	1 772	1 751	— 5.4	— 1.2
Fertilizers	679	764	691	+ 1.8	— 9.6
Fuel & lubricating oil	3 104	2 910	2 895	— 6.7	— 0.5
Metals & metal goods	1 806	1 793	1 808	+ 0.1	+ 0.8
Stone, clay & glass goods	1 587	1 640	1 640	+ 3.3	—
Chemical-technical goods	2 026	1 963	1 942	— 4.1	— 1.1
Hides & leather goods	2 357	1 597	1 501	—36.3	— 6.0
Rubber & rubber goods	1 252	912	845	—32.5	— 7.3
Spinning & weaving materials & textile goods	1 676	1 395	1 386	—17.3	— 0.6
Pulp, cardboard & paper	1 669	1 668	1 501	—10.1	—10.1
Wooden goods	3 387	2 914	2 541	—25.0	—12.8
Home produced goods	*2 026*	*1 906*	*1 816*	—10.4	*— 4.7*
Agricultural products	1 607	1 773	1 724	+ 7.3	— 2.8
Forest products	3 605	3 105	2 749	—23.7	—11.8
Industrial products	1 627	1 545	1 530	— 6.0	— 1.0
Imported goods	*1 679*	*1 570*	*1 559*	*— 7.1*	*— 0.6*

The table on page 129 shows that the general index of wholesale prices has dropped in the course of a year, i.e., from September 1951 to September 1952, by 9.5 per cent. The drop during this period was biggest in the category of forest products, 23.7 per cent, which is directly connected with the falling tendency in the export market. Wholesale prices for agricultural produce, on the contrary, rose 7.3 per cent on an average, while prices of home-produced industrial goods were lowered by 6.6 per cent. Prices of imported goods fell during the same period by 7.1 per cent.

The fall in wholesale prices has not yet been able to affect the new total index for the cost of living. The sub-divisions of clothing, lighting and heating display rapidly falling figures it is true, but dearer foodstuffs and a slight rise in other costs have, on the whole, neutralised this fall and the cost of living index has remained unchanged. According to the stabilisation plan, rents in old houses were to have been raised on 1st October this year, but on account of certain divergencies, the increase could only be imposed as from Dec. 1st. It is worth mentioning that this rise of 25 per cent will only raise the cost of living index by 1.2 per cent.

Cost of living index; October 1951 = 100

	Total index	Food	Housing	Lighting & heating	Cloth-ing	Other costs
1952						
January	102	107	100	100	93	101
February	101	106	100	98	93	101
March	101	106	100	98	91	101
April	101	107	100	98	87	101
May	101	108	100	97	87	102
June	101	107	100	96	87	102
July	101	107	100	96	87	102
August	101	108	100	96	87	102
September	101	108	100	96	86	102

THE MONEY MARKET. It was to be expected that the exceptional boom would cause a greater flow of deposits into the banks. This has, indeed, occurred, and although the situation has changed, the rising swell did not reach the financial institutions during the third quarter. Towards the end of the quarter, however, deposit business took a sharp turn and it is evident that any further free funds from last year's sales of forest products can scarcely be expected. The delayed receipts of farmers from the harvest have, besides, increased the demand for liquid funds, so that many people have had to draw on their earlier savings. As withdrawals, chiefly in the rural districts, were larger than deposits, the total deposits were reduced in September in all the credit institutions of the country by 423 million marks. In the commercial

banks deposits increased again by about 100 million marks, but in this case, too, the increase was considerably smaller than last year.

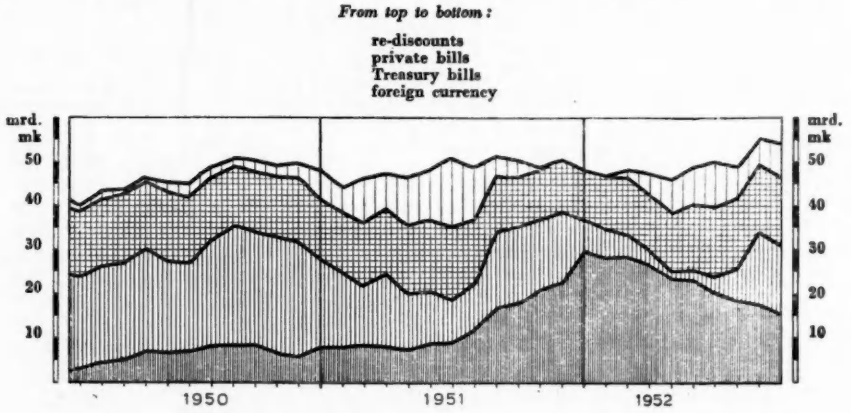
Deposits by the public in monetary institutions

	Time deposits 30. 9. 1952	Increase during Jan.-Sept.				Increase during III quarter			
		1951		1952		1951		1952	
	mill. mk	mill. mk	%	mill. mk	%	mill. mk	%	mill. mk	%
Commercial banks	55 754	5 351	14.6	9 076	19.4	3 389	8.8	3 503	6.7
Savings banks	61 041	5 941	15.0	8 713	16.7	2 220	5.1	2 437	4.2
Co-operative credit societies	35 799	5 471	27.3	6 261	21.2	2 667	11.7	1 798	5.3
Post Office Savings Bank	22 449	2 936	21.1	4 206	23.1	1 431	9.3	1 247	5.9
Other banks	10 537	1 859	33.3	1 808	20.7	322	4.5	— 24	—0.2
All banks	*185 580*	*21 558*	*18.6*	*30 064*	*19.3*	*10 029*	*7.9*	*8 961*	*5.1*

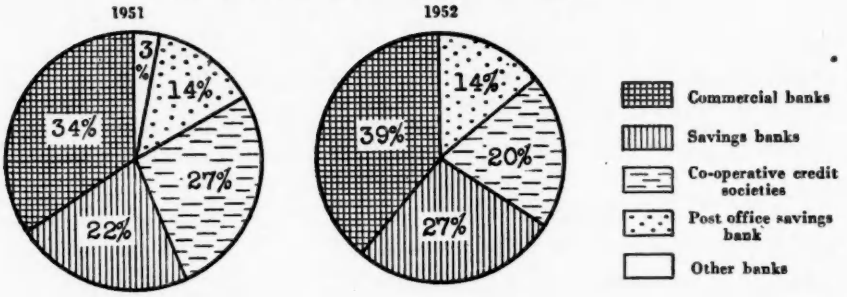
	Total deposits 30. 9. 1952	Increase during Jan.-Sept.				Increase during III quarter			
		1951		1952		1951		1952	
	mill. mk	mill. mk	%	mill. mk	%	mill. mk	%	mill. mk	%
Commercial banks	87 691	13 742	22.5	—1 755	—2.0	3 419	4.8	2 638	3.1
Savings banks	64 617	6 446	15.4	9 403	17.0	2 512	5.5	2 812	4.5
Co-operative credit societies	38 106	5 978	27.7	6 448	20.4	2 999	12.2	1 944	5.4
Post Office Savings Bank	22 449	2 936	21.1	4 206	23.1	1 431	9.3	1 247	5.9
Other banks	10 653	1 909	33.6	1 630	18.1	391	5.5	— 74	—0.7
All banks	*223 516*	*31 011*	*21.5*	*19 932*	*9.8*	*10 752*	*6.5*	*8 567*	*4.0*

For trade and commerce the position this year has created a larger demand for funds for financing their business and this has expressed itself in balances on cheque accounts being decimated and the demand for credit growing. Owing to reduced income from abroad, the exporting industry has had to apply to the banks in order to finance their output for stock, and the exceptionally heavy imports have also forced commercial undertakings to increase their

Bill credits and foreign currency reserve of the Bank of Finland



The increase in deposits distributed among different monetary institutions during the third quarter



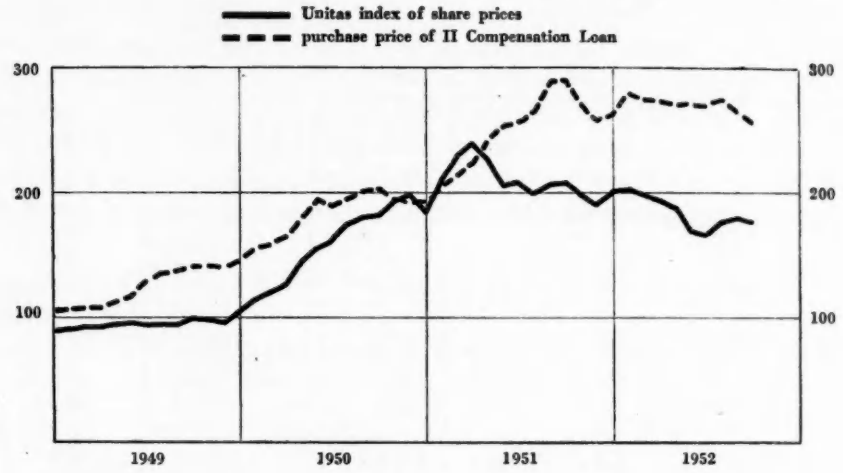
indebtedness to the banks. The stringency of the monetary and credit situation is illustrated by the excess of loans in the commercial banks having risen to 9 301 million marks by the end of the third quarter. At the end of last year the commercial banks had, on the contrary, a surplus of deposits amounting to 7 947 million marks, so that in the light of these figures it will be found that during the first nine months of the year the financial position has gained in stringency to the extent of 17 248 million marks.

As regards the Bank of Finland, the surplus of imports has caused a big reduction in the supply of foreign currency. Since the end of last year this has decreased by almost one-half or from 30 000 million marks to 15 600 million. At the same time the total of bills rediscounted by the banks has risen from nil to 7 400 million marks and loans to the Treasury from 7 000 to 15 300

Money supply in Finland

Month	Money supply, mill. mk			Index; 1948 = 100 (average for 3 months)					
				Nominal development			Real development		
	1950	1951	1952	1950	1951	1952	1950	1951	1952
January	59 791	64 242	86 778	125	135	186	119	101	105
February	62 201	68 366	90 700	125	138	184	119	96	106
March	68 580	77 870	95 561	127	140	182	120	93	107
April	65 147	73 843	86 338	130	147	182	122	95	109
May	65 001	79 084	88 058	132	154	180	122	97	108
June	71 068	82 384	96 464	134	157	182	121	96	110
July	68 146	78 535	85 282	136	160	180	120	96	109
August	70 710	87 228	87 065	140	165	180	120	97	109
September	72 003	88 081	90 144	140	169	180	118	97	109
October	68 598	88 295		141	176		115	100	
November	67 169	94 097		138	180		111	102	
December	70 826	98 088		138	187		108	106	

Development on the Stock Exchange; 1948 = 100



million. The contracting influence from the reduced supply of foreign currency has thus been counteracted by the larger supply of money through the Treasury and the rediscounts of the banks. It has therefore been possible to keep the note circulation unchanged on the whole at 44 800 million marks at the end of last year and 43 800 million at the end of September this year.

THE STOCK EXCHANGE. The Stock Exchange has again been decidedly dull, and dealings in both shares and bonds have been extremely limited. The value of the stocks and shares sold on the Helsinki Stock Exchange only amounted to 440 million marks during the third quarter of this year. In 1950 and 1951 the turnover on the Stock Exchange averaged about 700 million marks a quarter. The reduced demand, combined in some cases with anxiety to sell, could not fail to set its mark on the price of shares. From its lowest point in June the general level of prices rose, indeed, about 7 per cent in July, but since then there has not been any uniform tendency.

Index for share prices; 1948 = 100

	Sept.	June	July	Aug.	Sept.	Increase or decrease in % since Sept. 1951	Increase or decrease in % since June 1952
Banks	133.4	119.2	122.2	123.2	122.6	— 8.1	+2.9
Industry	224.4	174.1	187.4	190.6	186.9	—16.7	+7.4
General index	*208.7*	*166.1*	*177.2*	*179.9*	*176.9*	*—15.2*	*+6.5*

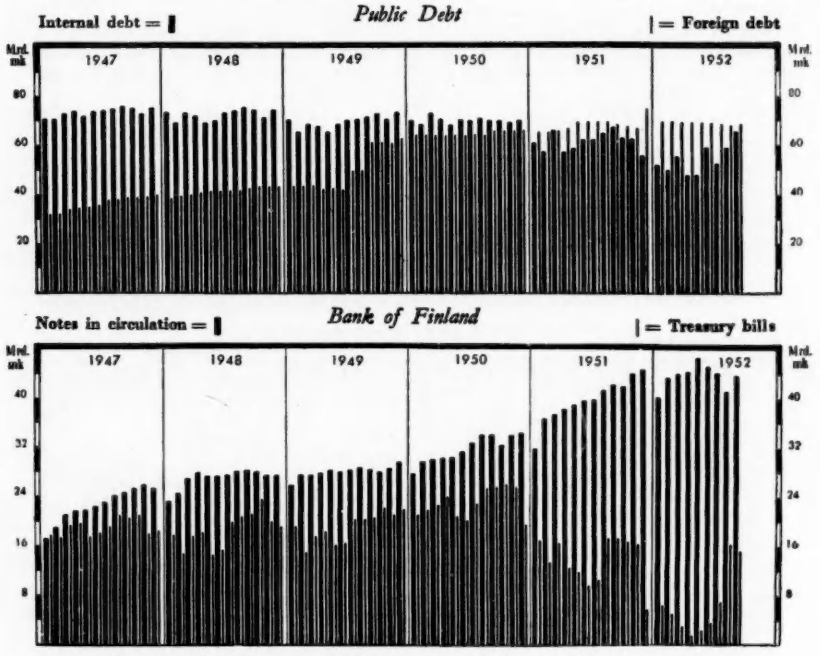
As the wholesale price index for home-produced goods has fallen, interest in the II Compensation Loan, which is pegged to the index, has gradually

waned. The purchase price had dropped to 490 per cent at the end of September. According to the wholesale price index for September, the rate of redemption for the next amortisation instalment should amount to 600 per cent. The actual rate of redemption is calculated on the basis of the index for every March and there are still over three years left before the last rate of redemption is fixed. The prices of holding certificates, on the contrary, have been well maintained and the value of the turnover in these during the third quarter, when the sixth redemption was carried out, was, e.g., double the value of the bank shares sold.

Since June no new issues have been made by the undertakings listed on the Stock Exchange and sales of options, which amounted to 113.5 million marks during the first six months, have ceased altogether.

PUBLIC FINANCES AND RATES OF INTEREST

Year Month	Public Debt			Government revenue		Rates of interest, %	
	Foreign	To Bank of Finland	Total	Taxes	Total	Official minimum discount rate	Deposit rate
	Mill. mks	Mill. mks	Mill. mks	Mill. mks	Mill. mks		
1935	2 763	—	4 020	2 597	4 559	4.0	3.75
1938	1 211	—	3 674	3 664	5 535	4.0	3.5
1948	43 605	19 211	117 942	82 821	113 692	7.25	6.0
1949	63 153	21 950	136 554	86 138	125 981	5.75	5.0
1950	65 879	19 696	135 705	103 767	137 218	7.75	7.0
1951	74 812	7 023	130 951	144 149	204 633	5.75	7.0
1951 July	69 716	10 639	132 191	16 510	25 677	7.75	7.0
Aug.	69 765	17 405	134 904	12 803	17 839	7.75	7.0
Sept.	68 476	17 322	136 033	7 808	12 700	7.75	7.0
Oct.	67 786	16 707	130 564	13 402	16 418	7.75	7.0
Nov.	67 137	16 370	129 831	15 157	17 809	7.75	7.0
Dec.	74 812	7 023	130 951	29 794	46 197	5.75	7.0
1952 Jan.	69 523	6 453	121 636	10 154	13 647	5.75	5.0
Feb.	69 484	4 994	119 348	11 572	15 319	5.75	6.0
March	69 207	3 211	124 780	6 559	9 329	5.75	5.5
April	69 080	1 517	117 087	15 700	18 852	5.75	5.5
May	68 961	2 491	117 809	13 796	19 104	5.75	5.5
June	68 684	3 780	127 701	2 467	6 043	5.75	5.5
July	68 373	7 107	120 866	18 306	22 454	5.75	5.5
Aug.	68 178	16 394	126 948	12 052	25 405	5.75	5.5
Sept.	68 240	15 272	133 680	..	..	5.75	5.5



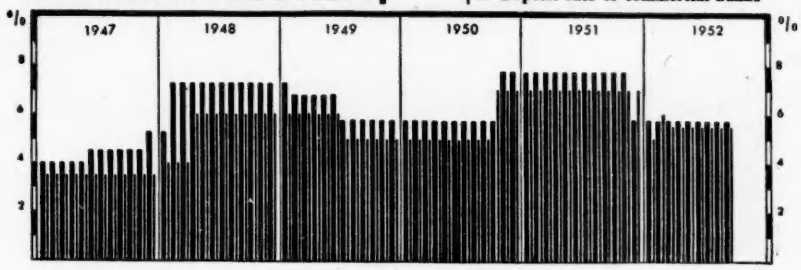
THE MONEY MARKET

Figures for the last day in mill. mks

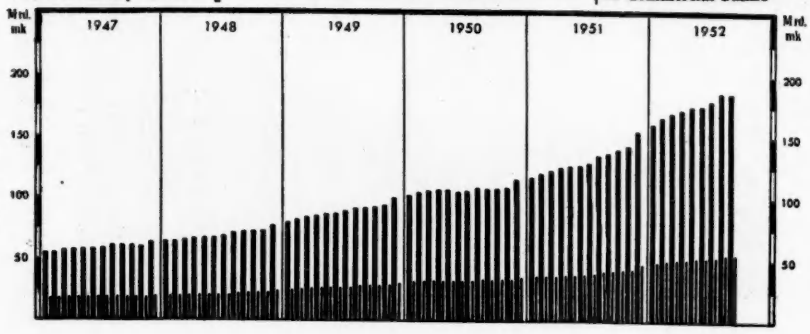
Year Month	Bank of Finland				Commercial banks		Total deposits by the public in all monetary institutions
	Gold reserve, foreign currencies	Notes in circulation	Rediscounted bills	Total home credits	Deposits	Loans	
1935	1 739	1 381	—	782	7 980	7 462	13 996
1938	3 402	2 086	—	1 177	10 755	9 212	19 937
1948	2 295	27 369	1 697	35 023	50 125	46 458	100 859
1949	2 697	29 606	2 428	40 302	61 980	57 976	127 075
1950	8 183	34 383	6 913	40 535	65 973	70 531	144 047
1951	29 988	44 774	16	20 932	97 185	89 237	203 584
1951 July	11 827	39 826	11 930	40 749	74 551	87 831	163 158
Aug.	16 896	41 446	4 347	37 556	82 033	85 796	174 361
Sept.	17 959	42 272	3 945	36 123	81 033	86 140	175 058
Oct.	21 150	42 014	723	30 522	84 935	86 829	180 889
Nov.	22 691	44 053	18	30 251	93 428	89 299	191 560
Dec.	29 988	44 774	16	20 932	97 185	89 237	203 584
1952 Jan.	28 360	40 134	217	20 662	94 877	92 475	204 803
Feb.	28 519	43 428	1 995	21 901	93 184	95 640	206 905
March	26 802	44 044	4 994	22 962	96 065	99 639	213 104
April	23 870	44 338	7 655	24 592	89 845	100 727	210 185
May	23 265	46 579	8 332	28 004	90 185	101 854	212 285
June	20 342	45 052	9 961	31 859	91 840	102 404	214 949
July	18 699	44 173	7 346	32 311	92 831	105 097	217 802
Aug.	17 700	45 193	5 716	39 447	94 932	104 224	222 394
Sept.	15 605	43 768	7 411	40 656	95 100	104 215	223 516

Rates of interest

Lowest discount rate of Bank of Finland = ▌ | = Deposit rate of commercial banks



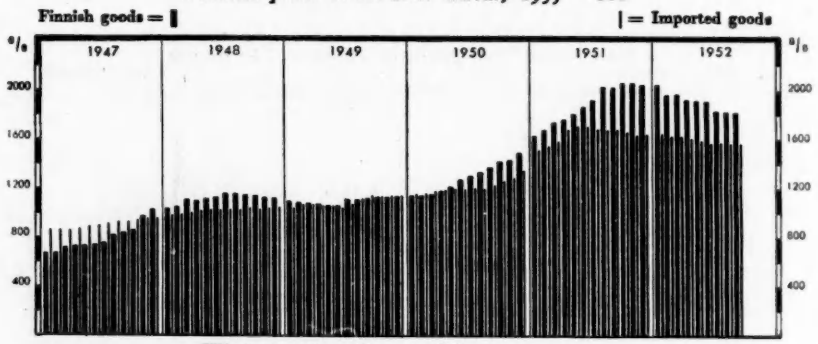
All monetary instit. = ▌ *Time-deposits by the public* | = Commercial banks



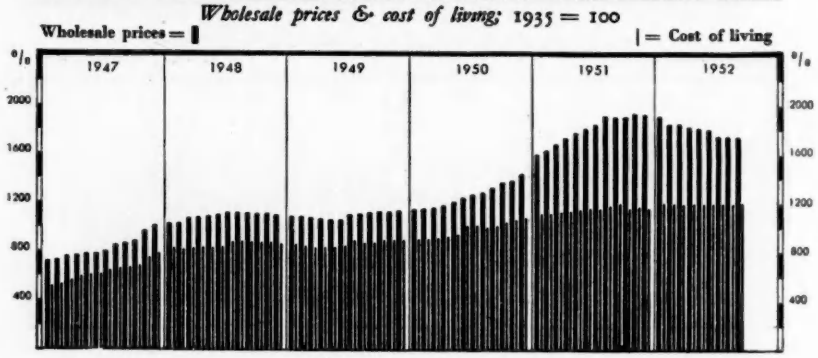
PRICES

Year Month	Wholesale prices for home market goods; 1935 = 100						Cost of living 1938/39 = 100
	Finnish goods	Agricult. products Finnish	Forest products Finnish	Industrial products Finnish	Imported goods	All home market goods	
1935	100	100	100	100	100	100	93
1938	118	117	145	110	104	114	100
1948	1 117	1 397	1 499	903	1 022	1 090	786
1949	1 099	1 136	1 431	980	1 092	1 098	799
1950	1 287	1 378	1 664	1 131	1 222	1 265	911
1951	1 886	1 617	3 103	1 561	1 646	1 809	1 061
1951 July	1 927	1 632	3 167	1 603	1 685	1 850	1 067
Aug.	2 028	1 691	3 512	1 634	1 681	1 917	1 084
Sept.	2 026	1 607	3 605	1 627	1 679	1 915	1 102
Oct.	2 021	1 574	3 719	1 590	1 663	1 907	1 074
Nov.	2 071	1 730	3 945	1 547	1 649	1 936	1 077
Dec.	2 058	1 721	3 888	1 548	1 650	1 928	1 071
1952 Jan.	2 037	1 787	3 638	1 576	1 649	1 913	1 109
Feb.	1 956	1 782	3 275	1 568	1 619	1 849	1 103
March	1 960	1 797	3 275	1 568	1 613	1 849	1 101
April	1 916	1 751	3 149	1 552	1 606	1 817	1 096
May	1 909	1 768	3 105	1 551	1 592	1 808	1 099
June	1 906	1 773	3 105	1 545	1 570	1 799	1 097
July	1 825	1 770	2 750	1 530	1 571	1 744	1 098
Aug.	1 821	1 754	2 750	1 529	1 568	1 740	1 099
Sept.	1 816	1 724	2 749	1 530	1 559	1 734	1 099

Wholesale prices on the home market; 1935 = 100



Wholesale prices & cost of living; 1935 = 100



INDUSTRIAL PRODUCTION

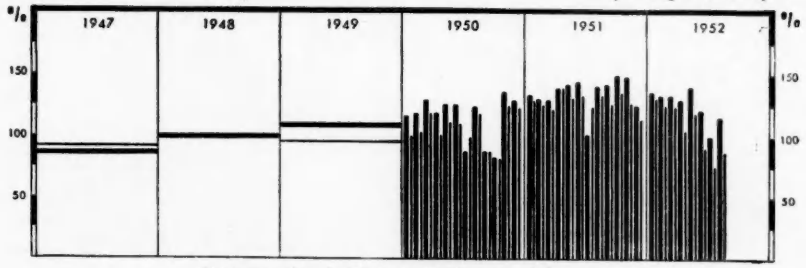
Index of volume; 1948 = 100

Year Month	Home market industry			Export industry			Total Industries
	Engineering Industry	Other Home-market Industries	Total Home-market Industry	Timber Industry	Paper Industry	Total Export Industry	
1935	32	56	46	79	85	83	56
1938	52	79	67	86	106	99	75
1948	100	100	100	100	100	100	100
1949	106	111	109	101	93	96	105
1950	96	129	115	102	111	107	113
1951	128	141	135	125	131	128	133
1951 July	84	115	102	115	130	124	109
Aug.	131	147	140	132	134	133	138
Sept.	134	147	142	122	130	127	137
Oct.	141	154	149	126	142	135	145
Nov.	141	153	148	120	132	127	142
Dec.	115	132	125	105	121	114	122
1952 Jan.	130	141	136	122	135	130	134
Feb.	134	136	135	118	130	125	132
March	130	138	135	105	136	124	131
April	123	135	130	98	110	105	123
May	132	144	140	105	128	119	133
June	109	130	121	96	88	91	112
July	95	103	100	84	71	76	93
Aug.	104	123	116	85	89	87	107
Sept.	129	145	139	97	108	103	128

Volume of industrial production; 1948 = 100

The horizontal lines represent the average level for the year

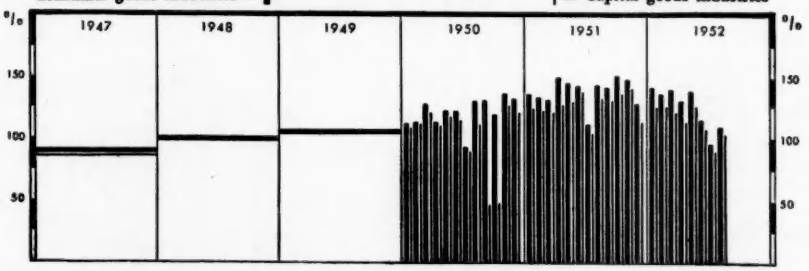
Home market industry = ▌ | = Export industry



Volume of industrial production; 1948 = 100

The horizontal lines represent the average level for the year

Consumer goods industries = ▌ | = Capital goods industries



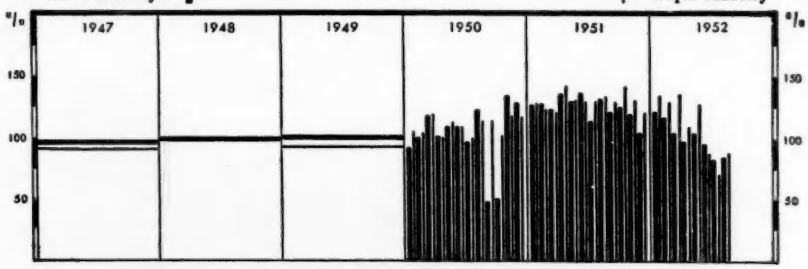
PRODUCTION OF FOREST INDUSTRY

Year Month	Sawn goods 1000 stds	Cellulose 1000 tons	Mechanical Pulp (for sale) 1000 tons	Newsprint 1000 tons	Other paper 1000 tons	Boards & Cardboards 1000 tons	Plywood 1000 cu m
1935	1 173	1 137	312	306	151	106	185
1938	1 031	1 471	265	414	175	120	232
1948	815	1 080	138	328	233	140	212
1949	850	1 015	146	382	183	104	231
1950	875	1 194	181	421	214	136	217
1951	1 055	1 386	206	421	266	205	314
1951 July		112	21	35	23	20	23
Aug.	249	119	22	33	21	19	25
Sept.		119	19	36	22	18	28
Oct.		127	15	37	25	18	32
Nov.	253	122	8	36	23	17	29
Dec.		111	8	34	21	16	23
1952 Jan.		122	12	36	24	17	26
Feb.	219	122	15	35	24	14	23
March		133	15	38	23	16	22
April		100	15	34	18	10	21
May	188	116	20	38	21	10	21
June		68	9	31	16	8	18
July		41	5	38	16	8	12
Aug.	137	62	5	37	20	6	14
Sept.		84	8	38	20	11	19

Volume of production of the export industry; 1948 = 100

The horizontal lines represent the average level for the year

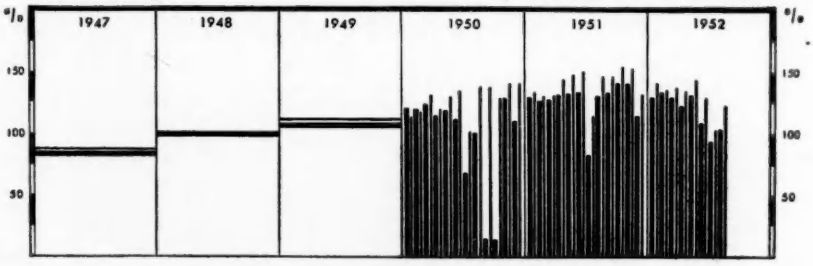
Timber industry = ▌ | = Paper industry



Volume of production of the home market industry; 1948 = 100

The horizontal lines represent the average level for the year

Engineering = ▌ | = Other home market industries

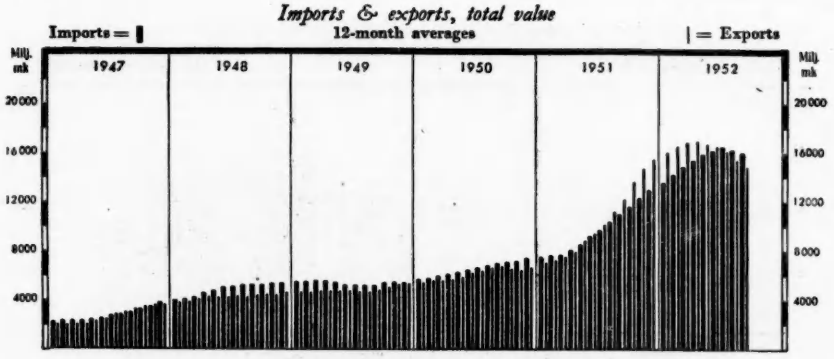


IMPORTS

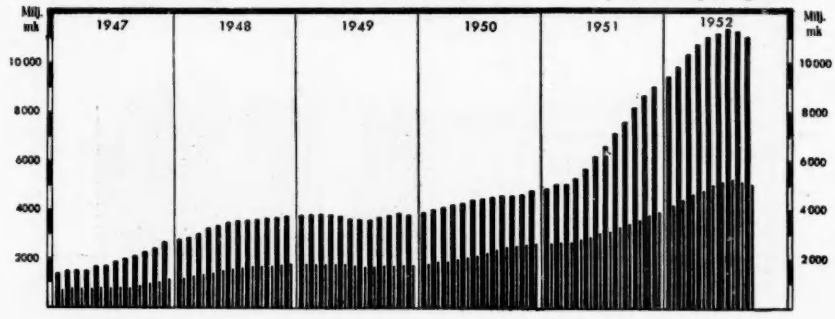
Value in mill. mks

Year Month	Raw materials & semimanufactures	Machinery, means of transport, etc.	Foodstuffs & luxuries	Other consumer goods	Total imports	Surplus of exports
1935	2 433	993	823	1 095	5 344	896
1938	3 571	1 923	1 200	1 913	8 607	— 209
1948	32 244	12 641	13 199	8 285	66 369	— 9 864
1949	30 248	15 191	9 370	11 468	66 277	— 671
1950	38 214	19 218	16 786	14 930	89 148	— 7 669
1951	75 568	32 357	24 402	23 137	155 464	31 419
1951 July	6 401	2 733	1 517	2 061	12 712	5 860
Aug.	7 309	3 035	2 538	2 361	15 242	6 189
Sept.	7 550	3 532	1 978	2 373	15 433	4 911
Oct.	8 594	3 828	2 118	2 468	17 008	5 284
Nov.	7 487	3 434	3 083	2 502	16 506	3 525
Dec.	6 818	3 906	3 085	2 298	16 107	3 307
1952 Jan.	7 028	3 289	2 308	2 572	15 197	— 560
Feb.	6 645	4 020	2 688	2 410	15 763	—2 619
March	6 610	4 297	2 705	2 675	16 287	—4 728
April	6 887	4 897	2 976	2 544	17 304	—5 915
May	7 520	5 285	3 936	2 772	19 513	—6 503
June	7 307	5 215	3 365	2 289	18 176	—5 885
July	6 731	5 226	2 855	1 997	16 809	—2 649
Aug.	5 191	3 510	1 912	1 585	12 198	461
Sept.	5 437	3 267	1 339	1 851	11 894	1 675

Imports & exports, total value



Value of imports, main groups

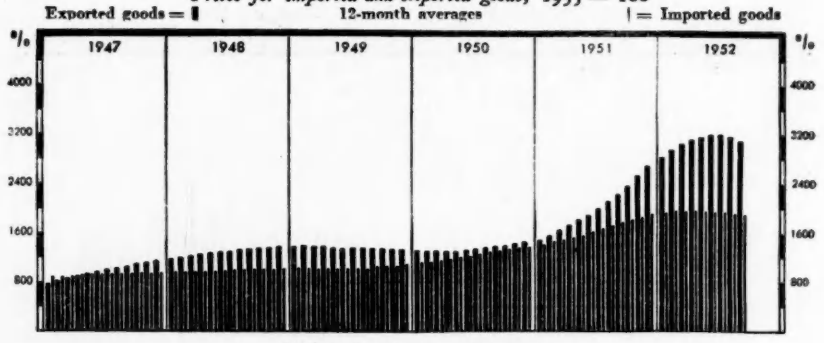


EXPORTS

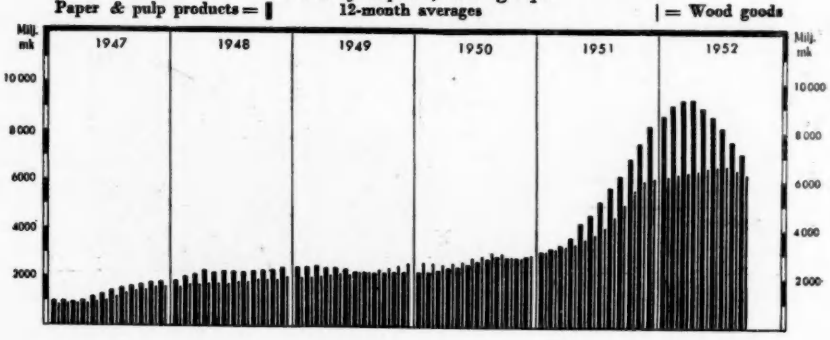
Value in mill. mks

Year Month	Animal foodstuffs	Wood goods	Paper & Pulp products	Other goods	Total commercial exports	Reparation deliveries
1935	454	2 696	2 516	574	6 240	—
1938	699	3 360	3 458	881	8 398	—
1948	56	23 797	28 940	3 712	56 505	11 546
1949	1 590	31 046	26 713	6 257	65 606	12 226
1950	1 952	35 585	35 062	8 880	81 479	7 846
1951	2 026	73 407	99 108	12 342	186 883	12 396
1951 July	118	8 631	9 079	744	18 572	938
Aug.	109	11 006	9 706	610	21 431	1 948
Sept.	109	9 856	9 286	1 090	20 344	880
Oct.	123	9 136	11 017	2 016	22 292	1 132
Nov.	187	8 323	10 357	1 164	20 031	829
Dec.	117	5 884	11 837	1 576	19 414	729
1952 Jan.	102	3 900	9 611	1 024	14 637	533
Feb.	112	3 431	8 873	728	13 144	382
March	285	3 090	7 326	858	11 559	443
April	219	3 212	7 090	869	11 389	961
May	187	6 018	5 694	1 111	13 010	1 419
June	255	6 924	3 868	1 244	12 291	1 494
July	351	9 273	3 422	1 114	14 160	835
Aug.	341	8 612	2 731	975	12 659	1 383
Sept.	278	7 513	4 085	1 693	13 569	766

Prices for imported and exported goods; 1935 = 100

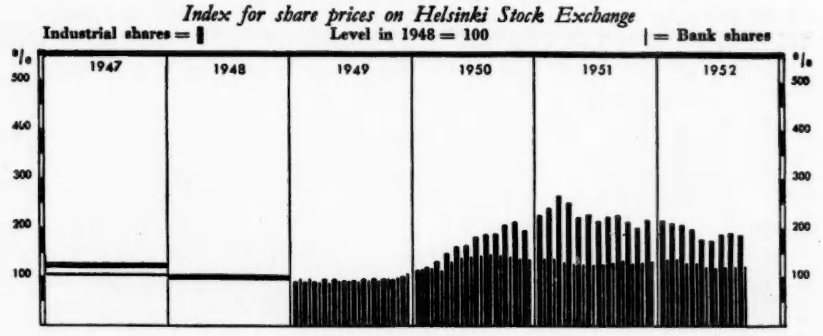
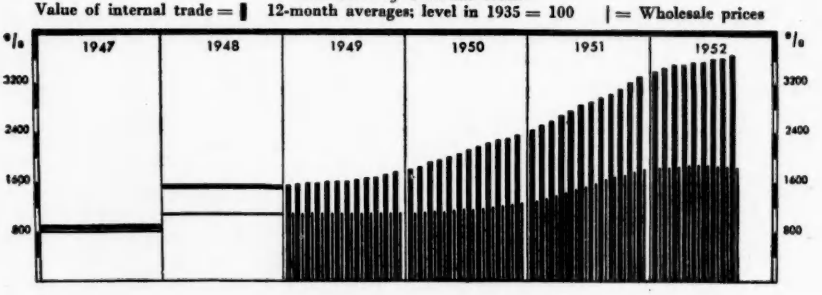


Value of exports, main groups



Year Month	Value of internal trade; Index; level in 1935=100	Helsinki Stock Exchange				Bankruptcies	Railway goods traffic
		Sales	Index for share prices; 1948=100				
			Bank shares	Industrial shares	All shares		
		Mill. mks				Number	Mill. truck axle km
1935	100	235	100	32	38	724	686
1938	145	222	123	43	50	547	761
1948	1 510	1 276	100	100	100	142	863
1949	1 750	1 617	94	94	96	379	812
1950	2 360	2 956	134	168	162	406	881
1951	3 300	2 781	130	227	210	214	990
1951 July	3 030	162	125	214	199	4	87
Aug.	3 270	231	128	223	207	14	90
Sept.	3 120	216	133	224	209	7	87
Oct.	3 330	192	129	212	198	41	91
Nov.	3 740	215	129	201	189	47	87
Dec.	3 900	229	132	217	203	10	78
1952 Jan.	4 020	187	137	217	203	54	87
Feb.	4 270	166	139	211	199	47	79
March	3 700	203	130	207	194	27	80
April	3 110	194	129	198	187	40	75
May	3 770	243	121	178	169	27	75
June	3 380	107	119	174	166	12	72
July	3 670	148	122	187	177	9	74
Aug.	3 290	156	123	191	180	6	69
Sept.	3 650	136	123	187	177	16	73

Index for share prices on Helsinki Stock Exchange



Turnover of internal trade